

**RESOLUTION NO. 75548**

**A RESOLUTION OF THE COUNCIL OF THE CITY OF SAN JOSE AUTHORIZING THE DIRECTOR OF HOUSING TO NEGOTIATE AND EXECUTE AN AGREEMENT BETWEEN THE CITY OF SAN JOSE, KINGS CROSSING L.P., CITIBANK, N.A., AND FAMILY SUPPORTIVE HOUSING, INC.**

**WHEREAS**, Charities Housing Development Corporation ("Developer") has requested that the City of San José ("City") issue a tax-exempt multifamily revenue note, which will be sold to Citibank N.A. ("Citibank") in order to generate proceeds that will be loaned to Kings Crossing L.P. ("Kings"), a California limited partnership created by the Developer; and

**WHEREAS**, on March 18, 2008 the City Council approved a funding commitment with a maximum loan amount of up to \$10,565,700; and the City will provide a construction and permanent loan to the Kings affordable rental project ("Kings Project") in the amount of approximately \$10,145,275 (the "Loan") which is within maximum loan amount approve by the City Council; and

**WHEREAS**, the City has also provided a conditional grant of 80% tax increment funds to Family Supportive Housing, Inc. ("FSH") in the amount of \$6,291,000 (the "Grant") pursuant to a Conditional Grant Agreement dated August 1, 2009 for the New Family Shelter (the "Shelter Project"); and

**WHEREAS**, the New Family Shelter will be constructed on top of the parking garage for the Kings Project and the design of the projects is such that construction of certain portions of the work for the FSH project must be completed concurrently with the completion of the parking garage for the Kings Project; and

**WHEREAS**, the same general contractor is constructing both of the two projects and the projects will share the costs of construction of certain infrastructure which supports or is otherwise necessary for both projects including certain underground work, the parking garage, and a common podium; and

**WHEREAS**, City, Kings and Citibank have interest in ensuring that FSH's share of the construction work is completed and the general contractor is compensated for such work; and

**WHEREAS**, the Director of Housing's report dated August 25, 2010 has been prepared to provide additional background information; and

**WHEREAS**, the City desires to authorize the Director of Housing to negotiate and execute an agreement between the City, Kings, Citibank, and FSH memorializing the City's agreement to fund that portion of the Grant to FSH necessary to pay FSH's share of the shared costs of the work that is needed for both the Kings and FSH projects, regardless of a non-construction related default by FSH.

**NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SAN JOSE THAT:**

The Director of Housing is hereby authorized to negotiate and execute an agreement between the City of San José ("City"), Kings Crossing, L.P., Citibank N.A., and Family Supportive Housing, Inc. ("FSH") memorializing the City's agreement to fund that portion of City's conditional grant to FSH necessary to pay FSH's share of the shared costs of the work that is needed for both the Kings Crossing L.P. and FSH projects, regardless of a non-construction related default by FSH.

ADOPTED this 31st day of August, 2010, by the following vote:

AYES: CAMPOS, CHIRCO, CHU, CONSTANT, HERRERA,  
KALRA, NGUYEN, PYLE; REED.

NOES: OLIVERIO.

ABSENT: LICCARDO.

DISQUALIFIED: NONE.



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CHUCK REED  
Mayor

ATTEST:



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LEE PRICE, MMC  
City Clerk